

**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND  
DON KNABE**

**August 16, 2011**

**Reinstatement of Los Angeles County Redevelopment Agency**

On June 28, 2011 Governor Jerry Brown signed AB X1 26 and AB X1 27, trailer bills to the State budget. AB X1 26 eliminates redevelopment agencies and the redevelopment function of community development commissions. AB X1 27 allows redevelopment agencies and the redevelopment activities of community development commissions to continue, following passage of an ordinance that authorizes making specified payments.

As the redevelopment agency for the County of Los Angeles (County), the Community Development Commission (Commission) administers five redevelopment project areas in Willowbrook, East Rancho Dominguez, West Altadena, Maravilla, and Whiteside (Project Areas). At the direction of this Board of Supervisors (Board), the Commission has administered redevelopment activities in the Project Areas to eliminate blight, improve public facilities and infrastructure, renovate and construct affordable housing, and establish partnerships with private industry to create jobs and expand the local economy.

Some past projects made possible by the Commission's redevelopment agency

**MOTION**

MOLINA \_\_\_\_\_

RIDLEY-THOMAS \_\_\_\_\_

YAROSLAVSKY \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

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include the Business Technology Center, Altadena Lincoln Crossing, Casa Dominguez, Dominguez Plaza, Centro Estrella, East Los Angeles Civic Center Plaza, Villa Malaga, Kenneth Hahn Plaza, the Oasis Clinic, King-Drew Medical Magnet High School, and the construction of over 300 new affordable housing units and the rehabilitation of over 500 homes for low-income persons. The Commission's redevelopment program has caused the investment of tens of millions of private and public investment dollars.

In recent years, the Board has continued its support for the County's redevelopment program by approving the adoption of the Whiteside Project Area in 2006, the Five Year Implementation Plans for the other four Project Areas in 2009, and time extensions for those Project Areas in 2010.

Approval of an ordinance by August 28, 2011 is required by AB X1 27 to enable the Commission's redevelopment work to continue. The ordinance must require that the County pay \$1,844,955 in fiscal year 2011-2012; half will be paid in January 2012 and the remaining balance in May 2012. The payments would be funded with tax increment dollars from the Project Areas included in the Commission's approved Fiscal Year 2011-2012 budget. Ongoing payments of an estimated \$430,000 annually will be required in subsequent years to be made by the County using tax increment dollars. The exact amount to be paid will be determined by the State Department of Finance. The Commission will enter into an agreement with the County to transfer annual portions of its tax increment to the County to make the annual remittance payments. There is no impact to the County General Fund for these payments.

Tax increment revenue for the Commission's redevelopment projects was \$4.151 million for Fiscal Year 2010-2011, including over \$830,000 dedicated for affordable housing.

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Assembly Bill AB X1 26 requires all redevelopment agencies to adopt an 'Enforceable Obligation Payment Schedule' that lists all required payments of tax increment from August 28, 2011 through December 31, 2011.

The items listed on the Enforceable Obligation Payment Schedule are legal redevelopment obligations of the Commission or expenses that are enforceable within the meaning of California Health and Safety Code section 34167. All expenses listed are to be paid by redevelopment tax increment funds of the Commission included in the Commission's approved Fiscal Year 2011-2012 annual budget.

The California League of Cities and the California Redevelopment Association have filed a lawsuit challenging the constitutionality of AB X1 26 and AB X1 27. On August 11, 2011, the California Supreme Court Judge presiding over this matter issued a 'partial stay' of the redevelopment bills; therefore, the 'Enforceable Obligation Payment Schedule' must be adopted by the Board of Supervisors prior to August 28, 2011. Should these legal challenges prove successful, the County and Commission may act to suspend payments required under AB X1 27, as specified in the ordinance.

**WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

Introduce, waive reading, and place on the agenda for adoption, the attached ordinance which was prepared by County Counsel in order to authorize the continuation of the Los Angeles County Community Development Commission's redevelopment functions.

**WE FURTHER MOVE THAT THE BOARD ACTING AS THE COMMISSIONERS  
OF THE COMMUNITY DEVELOPMENT COMMISSION:**

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1. Authorize the Executive Director or his designee to take any and all steps necessary to execute an agreement with the County of Los Angeles and to transfer tax increment funds included in the Commission's Fiscal Year 2011-12 budget and future years annual budgets to the County in accordance with and in the amounts prescribed by AB X1 27 .
2. Adopt the attached Enforceable Obligation Schedule in order to satisfy the requirements of AB X1 26.



## ORDINANCE

An ordinance to comply with the Voluntary  
Alternative Redevelopment Program  
Pursuant to Part 1.9 of Division 24 of the  
California Health and Safety Code

SUBJECT

[ ALTREDEVPRGBTCC ]

BOS Template File Name

APPROVED:

INITIAL

DATE

COUNTY COUNSEL  
ATTORNEY

*BT*

*7/19/11 returned*

ASSISTANT  
COUNTY COUNSEL

*[Signature]*

*08/02/11*

SENIOR ASSISTANT  
COUNTY COUNSEL

*[Signature]*

*8/10*

LEELA A. KAPUR  
CHIEF DEPUTY  
COUNTY COUNSEL

*[Signature]*

*8/11/11*

WEBSITE:

YES ☐

NO ☒

Please initial and date above before submitting for signatures.

This Routing Sheet is to be attached to the file copy as a  
permanent record.

Please PDF entire document including attachments and the routing slip and  
rename accordingly. Email PDF document to Distribution-Non-Litigation.

*7/19/11 SA 8/2/11 VC 8/11/11*



COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET  
LOS ANGELES, CALIFORNIA 90012-2713

ANDREA SHERIDAN ORDIN  
County Counsel

August 11, 2011

TELEPHONE  
(213) 974-1931  
FACSIMILE  
(213) 633-1915  
TDD  
(213) 633-0901

Sean Rogan, Executive Director  
Community Development Commission  
2 Coral Circle  
Monterey Park, California 91755

Attention: Corde Carillo, Director  
Economic/Redevelopment Division

**Re: Ordinance Determining that the County of Los Angeles will  
Comply with the Voluntary Alternative Redevelopment  
Program of Part 1.9 of Division 24 of the California Health and  
Safety Code**


Dear Mr. Rogan:

As requested, enclosed are the analysis and ordinance which determines that the County of Los Angeles will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the community redevelopment function of the Community Development Commission of the County of Los Angeles.

This analysis and ordinance may be presented to the Board of Supervisors for its consideration.

Very truly yours,

ANDREA SHERIDAN ORDIN  
County Counsel

By   
BEHNAZ TASHAKORIAN  
Deputy County Counsel  
Contracts Division

APPROVED AND RELEASED:

  
LEELA A. KAPUR  
Chief Deputy County Counsel

BT:gjh

Enclosure

HOA.809135.1

## ANALYSIS

This uncodified ordinance determines that the County of Los Angeles shall comply with the provisions of Voluntary Alternative Redevelopment Program set forth in Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the community redevelopment function of the Community Development Commission of the County of Los Angeles.

Very truly yours,

ANDREA SHERIDAN ORDIN  
County Counsel

By   
BEHNAZ TASHAKORIAN  
Deputy County Counsel  
Contracts Division

BTK:gjh

Requested: (7/13/11)

Revised: (8/10/11))

**ORDINANCE NO. \_\_\_\_\_**

An ordinance determining that the County of Los Angeles ("County") shall comply with the provisions of the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code (commencing with Section 34192) in order to permit the continued existence and operation of the community redevelopment function of the Community Development Commission of the County of Los Angeles.

**WHEREAS**, the Board of Supervisors of the County of Los Angeles ("County") has previously approved and adopted the Redevelopment Plans for the Maravilla, Willowbrook, East Rancho Dominguez, West Altadena, and Whiteside Redevelopment Projects ("Redevelopment Plans") covering certain properties within the County ("Project Areas"); and

**WHEREAS**, the Community Development Commission of the County of Los Angeles ("Commission") is a redevelopment agency duly organized pursuant to the provisions of the California Community Redevelopment Law ("CRL"), Health and Safety Code section 33000, et seq., and pursuant thereto has responsibility to implement the Redevelopment Plans for the County; and

**WHEREAS**, since adoption of the Redevelopment Plans, the Commission has undertaken redevelopment projects in the Project Areas to eliminate blight, to improve public facilities and infrastructure, to renovate and construct affordable housing, and to enter into partnerships with private industries to create jobs and expand the local economy; and



**WHEREAS**, as part of the 2011-12 State budget bill, the California Legislature recently enacted and the Governor has signed, legislation (AB X1 26 [Chapter 5, Statutes of 2011] and AB X1 27 [Chapter 6, Statutes of 2011] hereinafter "Legislation"), requiring that the Commission's redevelopment functions be dissolved unless the County enacts an ordinance committing it to making certain payments; and

**WHEREAS**, the Board of Supervisors wishes to have the Commission continue its redevelopment functions and commits to make certain payments set forth in this Ordinance; and

**WHEREAS**, the Board of Supervisors does not intend, by enactment of this Ordinance, to waive any constitutional and/or legal rights by virtue of the enactment of this Ordinance and, therefore, reserves all of its rights under the law to challenge the validity of any or all provisions of the Legislation in any administrative or judicial proceeding, without prejudice to the County's right to recover any amounts remitted under Health and Safety Code section 34192 et seq.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** In accordance with Health and Safety Code section 34193, and based on the Recitals set forth above, which are incorporated herein by this reference above, the Board of Supervisors hereby determines that the County shall comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code (commencing with Section 34192).

**SECTION 2.** Payment Under Protest. Except as set forth in Section 4, below, the Board of Supervisors hereby determines that the County shall make the community

remittances as defined in and in accordance with Health and Safety Code section 34194, et seq.

**SECTION 3.** Additional Understandings and Intent. It is the understanding and intent of the Board that, once the Commission is again authorized to enter into agreements under the CRL, the County will enter into an agreement with the Commission as authorized under Health and Safety Code section 34194.2, whereby the Commission will transfer annual portions of its tax increment to the County in amounts not to exceed the annual community remittance payments to enable the County, directly or indirectly, to make the annual remittance payments. The Board of Supervisors does not intend, by enactment of this Ordinance, to pledge any County General Fund revenues or assets to make the community remittance payments.

**SECTION 4.** Effect of Stay or Determination of Invalidity. County shall not make any community remittance payments in the event a court of competent jurisdiction either grants a stay on the enforcement of the Legislation or determines that it is unconstitutional and therefore invalid, and all appeals therefrom are exhausted or unsuccessful, or time for filing an appeal therefrom has lapsed. Any community remittance paid pursuant to this Ordinance shall be made under protest and without prejudice to the County's right to recover such amount and interest thereon in the event that there is a final determination that the Legislation, or any part related to the community remittance payments, is unconstitutional. If there is a final determination that the Legislation providing for the community remittance payments are invalid, this Ordinance shall be deemed to be null and void and of no further force or effect.

**SECTION 5.** Implementation. The Board of Supervisors hereby authorizes and directs the Executive Director of the Commission to take any action and execute any documents necessary to implement this Ordinance, including but not limited to notifying the County Auditor-Controller, the Controller of the State of California, and the California Department of Finance of the adoption of this Ordinance and the County's agreement to comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code.

**SECTION 6.** Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The Board of Supervisors hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

**SECTION 7.** Effective Date. This Ordinance shall become effective thirty (30) days from its adoption.

[ALTREDEVPRGBTCC]

**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**  
**Per AB 26 - Section 34167 and 34169 (\*)**

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					
						Aug**	Sept	Oct	Nov	Dec	Total
1)	Staff and Administration	CDC Employees	Payroll for employees	Ongoing	691,043.00	57,586.92	57,586.92	57,586.92	57,586.92	57,586.92	\$ 287,934.58
2)	Lot Maintenance	CDC Contractors	lots	Ongoing	35,316.00	2,943.00	2,943.00	2,943.00	2,943.00	2,943.00	\$ 14,715.00
3)	Interfund Transfers	CDC Administration	CDC support services	Ongoing	778,393.00	64,866.08	64,866.08	64,866.08	64,866.08	64,866.08	\$ 324,330.42
4)	Purchase 2261 North Lincoln Ave.	Seller	Binding Acquisition Agreement	375,000.00	375,000.00			375,000.00			\$ 375,000.00
5)	Purchase 11732 Bandera Ave.	Seller	Property in Escrow	344,553.59	344,553.59	344,553.59					\$ 344,553.59
6)	Façade Improvement - 4533 E Cesar Chavez	Corral Construction	Contract for business rehabilitation	9,995.00	9,995.00		9,995.00				\$ 9,995.00
7)	Façade Improvement - 4512 E Cesar Chavez	Morales Sign Company	Contract for business rehabilitation	8,494.00	8,494.00		8,494.00				\$ 8,494.00
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Totals - This Page				\$ 738,042.59	\$ 2,242,794.59	\$ 469,949.59	\$ 143,885.00	\$ 500,396.00	\$ 125,396.00	\$ 125,396.00	\$ 1,365,022.59
Grand total - All Pages				\$ 738,042.59	\$ 2,242,794.59	\$ 469,949.59	\$ 143,885.00	\$ 500,396.00	\$ 125,396.00	\$ 125,396.00	\$ 1,365,022.59

\* This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late August. It is valid through 12/31/11. It is the basis for the Preliminary Draft Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 9/30/11. (The draft ROPS must be prepared by the Successor Agency by 11/30/11.)

If an agency adopts a continuation ordinance per ABX1 27, this EOPS will not be valid and there is no need to prepare a ROPS.

\*\* Include only payments to be made after the adoption of the EOPS.